



# GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service  
United States Department of Agriculture

March 23 , 1998

**El Nino Affects Panama Canal.** Grain shippers and carriers using the Panama Canal for Asian, South American, U.S. Gulf, and East Coast shipments are beginning to realize the effects of the unusual El Nino weather patterns. The Panama Canal Commission has scheduled a reduction in the maximum allowable draft to 35 feet on April 26. Recent restrictions began on March 12. Draft will be decreased to 38 feet on March 24, the level at which grain volumes will begin to be displaced. It is the first time since 1983 that an El Nino has caused the Commission to impose draft restrictions. The severe drought has not allowed nearby lakes, which feed the canal's fresh water lock system, to be replenished. Each vessel transiting the canal requires 52 million gallons of fresh water, from reservoirs such as Gatun Lake, to be pushed through the locks. The normal operating draft, which would prevent any ships from running aground, is 39.5 feet. Draft reductions mean that per-ton freight rates for Panamax-sized vessels could potentially increase as conditions force them to carry less cargo in order to navigate the 50-mile waterway. According to Panama Canal Commission spokesman, Mercedes Morris Garcia, "...the aim is to get to 34 or 34.5 feet...", reportedly by June, 1998. Carriers, however, are concerned that draft may be decreased even further, since the 6-inch reductions (or "trigger points") are happening even more frequently than during the planned 2-week intervals. Each 6-inch decrease in draft translates into an approximate decrease of 1,000 tons of cargo. (*Journal of Commerce, Reuters, USDA*)

**Barge Strike Possible.** Claiming a membership of approximately 1,200 barge pilots, the newly formed union, Pilots Agree, is forwarding a letter to barge lines demanding negotiations for increased wages and safety changes. Union leaders are allowing barge companies 10 days to respond with a willingness to negotiate. If unsuccessful, they may strike as soon as early April. It would be the first strike in the history of the barge industry. Although the timing and severity of such a strike are in question, it could hinder the upriver movement of fertilizer, necessary for spring planting. Grain exports are weak, however, and the demand for barging is currently less than usual. Also, the competing rail system continues to recover from its congestion problems and will likely be past the threat of winter weather by that time. The story was first reported in early January 1998, when union leaders planned to demand a doubling of the annual average \$50,000 salary. At that time, a September 1, 1998 strike was anticipated if a deal could not be negotiated. This would have coincided with the beginning of harvest season. (*Journal of Commerce, Bridge News*)

**Storms Cause Rail Delays.** As a result of heavy winter storms, Union Pacific (UP) and Burlington Northern Santa Fe (BNSF) are experiencing shipment delays and having to reroute some freight trains over long distances. Blinding weather conditions in parts of Iowa, Colorado, Kansas, and the Texas panhandle are slowing, or temporarily halting, traffic. Also, rail switches may become clogged with snow and ice, preventing crews from reaching their assignments. Despite the severe conditions, however, a BNSF spokesman stated that the rerouted trains are being delayed by no more than a few hours. (*Bridge News*)

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This report is prepared by Karl Hacker and Karla Martin, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1303. Report design by Kimberly Vachal, Upper Great Plains Transportation Institute, North Dakota State University. You can retrieve this document from our Automatic Fax System by using the handset on your fax machine and dialing (202) 690-1707. This report can be found on the Internet at [www.usda.gov/ams/tmd/grain.htm](http://www.usda.gov/ams/tmd/grain.htm). E-mail comments to [Nick\\_Marathon@USDA.gov](mailto:Nick_Marathon@USDA.gov).

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Futures:				Week Ago	Year Ago
Kansas City	Wht	May	03/20/98	03/13/98	03/21/97
Minneapolis	Wht	May	3.4225	3.5375	4.1325
Minneapolis	Dur	May	5.9000	5.8000	n.a.
Chicago	Wht	May	3.2775	3.4200	3.9000
Chicago	Corn	May	2.6400	2.7475	3.0025
Chicago	Sybn	May	6.4550	6.5550	8.4250



See the Grain Trax page at [www.ugpti.org](http://www.ugpti.org) for more graphs of rail premiums.

Straight Lines Indicate 3-yr Avg  
Weekly Movement based on 4-Week  
Running Avg.

Date	Weekly Movement (%)
1/26/84	150
4/15/84	100
7/15/84	85
10/15/84	90
1/15/85	120
4/15/85	110
7/15/85	250
10/15/85	290
1/15/86	200
4/15/86	210
7/15/86	280
10/15/86	230
1/15/87	220
4/15/87	170
7/15/87	180
10/15/87	140
1/15/88	250
4/15/88	310
7/15/88	310
10/15/88	290
1/15/89	220
4/15/89	210
7/15/89	230
10/15/89	290
1/15/90	270
4/15/90	200
7/15/90	120
10/15/90	110
1/15/91	120
4/15/91	110
7/15/91	95
10/15/91	90
1/15/92	150
4/15/92	210
7/15/92	170
10/15/92	150
1/15/93	160
4/15/93	100
7/15/93	100
10/15/93	100
1/15/94	100
4/15/94	100
7/15/94	130
10/15/94	240
1/15/95	140
4/15/95	130
7/15/95	110
10/15/95	100
1/15/96	110
4/15/96	100
7/15/96	110
10/15/96	100
1/15/97	110
4/15/97	100
7/15/97	100
10/15/97	100
1/15/98	110

<b>Rail Car 'Auction' Offerings</b>				
Delivery for:	May-98		June-98	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
<b>BNSF-COT</b>	18,928	2%	no offer	
<b>UP-GCAS</b>	5,400	0%	no offer	
Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com				

### Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	<b>Delivery Period</b>			
	Apr-98	May-98	Jun-98	Jul-98
BNSF-COT	\$(130)	\$(129)	\$(81)	\$(33)
CP-GEEP	\$(72)	\$(75)	\$(100)	\$(62)
UP-Pool		\$31	\$36	\$68

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

*note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted*

### Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	May-98	Jul-98	Aug-98
COT/N. Wheat	no bid	no offer	no offer
COT/S. Corn	no bid	no offer	no offer
GCAS/Region 2	\$1	no offer	
GCAS/Region 4	\$2	no offer	

Source: T&M/AMS USDA. Data from [www.bnsf.com](http://www.bnsf.com), [www.uprr.com](http://www.uprr.com),  
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

### Southbound Barge Freight Contract Rates\*

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate
3/20/98	no trades reported		

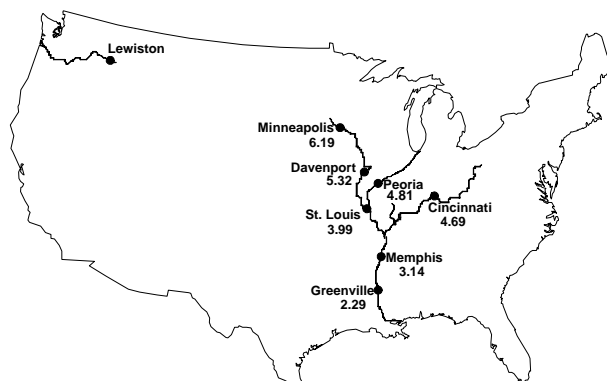
### Southbound Barge Freight Rates

	3/18/98	3/11/98	April '98	June '98
Twin Cities	167	167	152	140
Mid-Mississippi	137	137	127	120
Illinois River	125	121	117	115
St. Louis-Cairo	105	104	98	95
Lower Ohio	120	116	112	113
Cairo-Memphis	103	100	93	93

Source: Transportation & Marketing /AMS/USDA  
nq- no quote

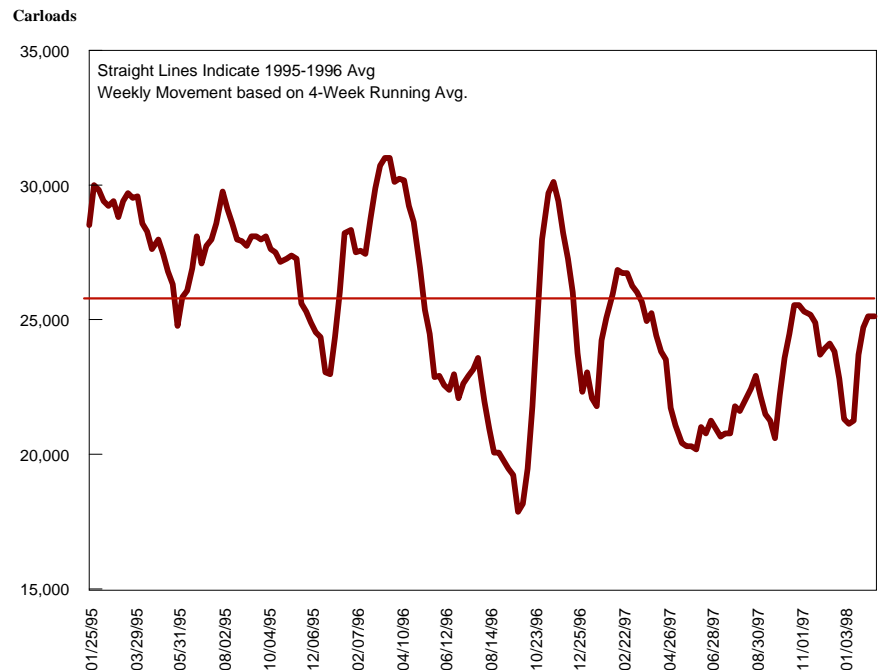
\* Merchants Exchange of St. Louis Daily Barge Call Session

**Barge Benchmark Tariff Rates**  
Est. 1976 - 'Tariff No. 7'



## Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
2/21/98	23,285
2/28/98	24,115
3/7/98	23,362
Year to Date - 1998	220,801
Year to Date - 1997	230,331
Total 1997	1,199,995
Total 1996	1,235,123
Source: American Association of Railroads	



## Class I Rail Carrier Grain Car Bulletin

Carloads

			East		West			Canada	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
03/14/98	766	2,061	1,141	2,414	7,543	864	4,407	2,785	4,137
This Week Last Year	435	2,375	1,921	2,412	8,186	725	9,105	3,327	5,585
1998 YTD	8,054	25,195	12,789	26,308	92,437	7,365	67,849	28,042	42,559
1997 YTD	5,374	25,122	19,091	27,504	84,925	6,516	86,002	27,220	42,995
1996 Total	31,733	111,509	48,695	131,568	432,687	30,009	439,865	129,714	181,387
1995 Total	37,851	133,755	61,612	139,043	410,274	34,393	447,786		

Source: American Association of Railroads

## Tariff Rail Rates for Unit Train Shipments

March 1998

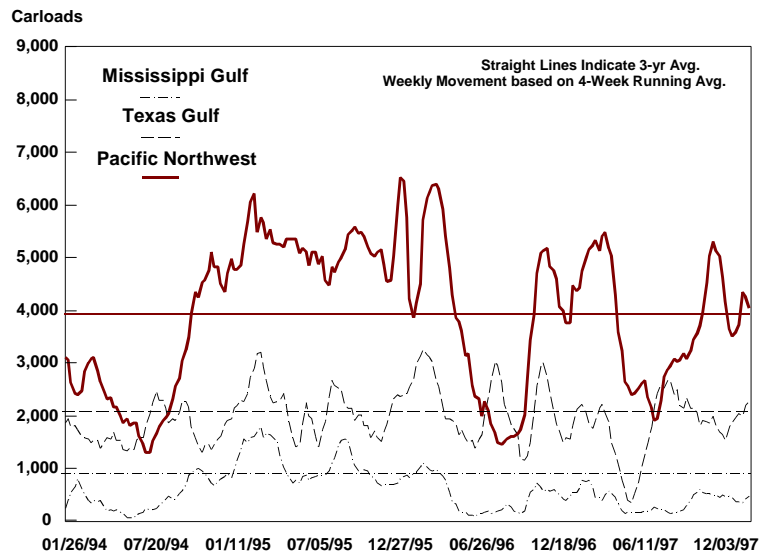
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
01/17/98	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$18.60	\$0.62
11/06/97	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,027	\$36.54	\$1.21
11/17/97	46531	Wheat	Kansas City, MO	Houston, TX	\$1,450	\$13.16	\$0.44
01/13/98	43586	Wheat	Kansas City, MO	Portland, OR	\$3,812	\$34.59	\$1.14
01/13/98	43581	Wheat	Omaha, NE	Portland, OR	\$3,505	\$31.81	\$1.05
09/16/97	31040	Corn	Minneapolis, MN	Portland, OR	\$2,865	\$22.87	\$0.80
01/15/98	33111	Corn	Kansas City, MO	Houston, TX	\$1,450	\$11.57	\$0.41
10/01/97	31035	Corn	Kansas City, MO	Portland, OR	\$2,600	\$20.75	\$0.73
09/16/97	31040	Corn	Omaha, NE	Portland, OR	\$2,485	\$19.83	\$0.70
11/16/97	61180	Soybean	Minneapolis, MN	Portland, OR	\$3,080	\$27.95	\$0.92
11/16/97	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

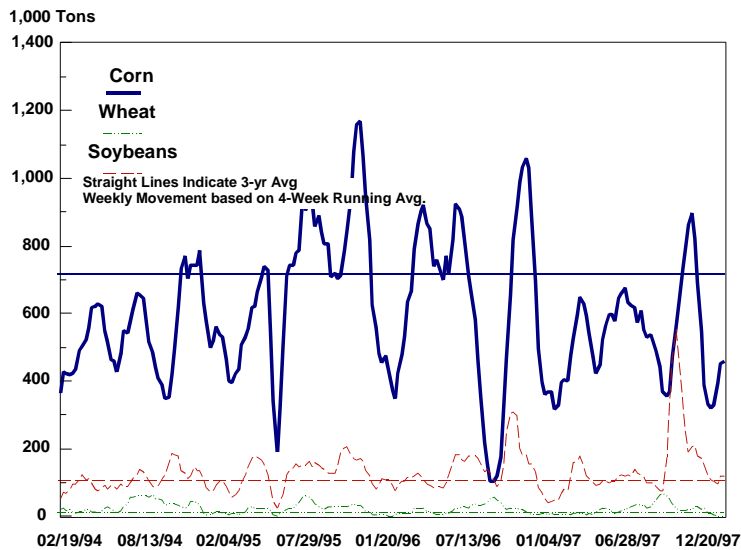
Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat &amp; Soybeans 60 lbs/bu

<b>Rail Deliveries to Port</b>				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
02/25/98	395	2,168	4,992	302
03/04/98	456	2,316	4,672	176
03/11/98	407	2,334	4,451	125
YTD 1998	4,495	22,086	43,908	3,568
YTD 1997	6,156	19,021	47,936	2,235
Total 1997	20,152	93,265	194,905	9,147
Total 1996	25,899	113,804	199,709	11,304
Source: Transportation and Marketing/AMS/USDA				

### Rail Deliveries to Port



### Barge Movements - Locks 27



### Barge Grain Movements for week ending 03/14/98

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L25)	75	0	27	102
Winfield, MO (L25)	140	3	66	210
Alton, IL (L26)	372	3	108	487
Granite City, IL (L27)	389	5	119	517
Illinois River (L8)	197	0	38	3
Ohio (L52)	16	1	25	100
Arkansas (L1)	0	30	17	47
1998 YTD	4,493	222	1,828	7,567
1997 YTD	4,927	241	1,447	7,815
Total 1997	29,685	2,689	9,584	45,315
Total 1996	34,210	2,348	8,297	48,963
Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.				
Source: U.S. Army Corp of Engineers				

**U.S. Export Balances\*** (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
03/12/98	1,345	216	1,031	586	175	3,353	7,029	2,321	12,703
This Week Year Ago	740	152	1,030	829	202	2,953	9,233	3,608	15,794
<u>Cumulative Exports-Crop Year</u>									
97/98 YTD	7,884	4,462	4,887	4,569	1,036	22,839	19,975	19,481	62,295
96/97 YTD	6,468	3,484	6,322	4,865	743	21,882	26,381	18,167	66,430
95/96 Total	9,867	6,792	8,918	6,443	897	32,917	55,769	23,550	112,236
94/95 Total	10,157	5,453	7,686	5,837	893	30,026	54,742	23,410	108,178

Source: Foreign Agricultural Service YTD-Year-to-Date (fas.usda.gov) Crop Year: Wheat=5/31-6/01, Corn &amp; Soybeans=9/01-8/31

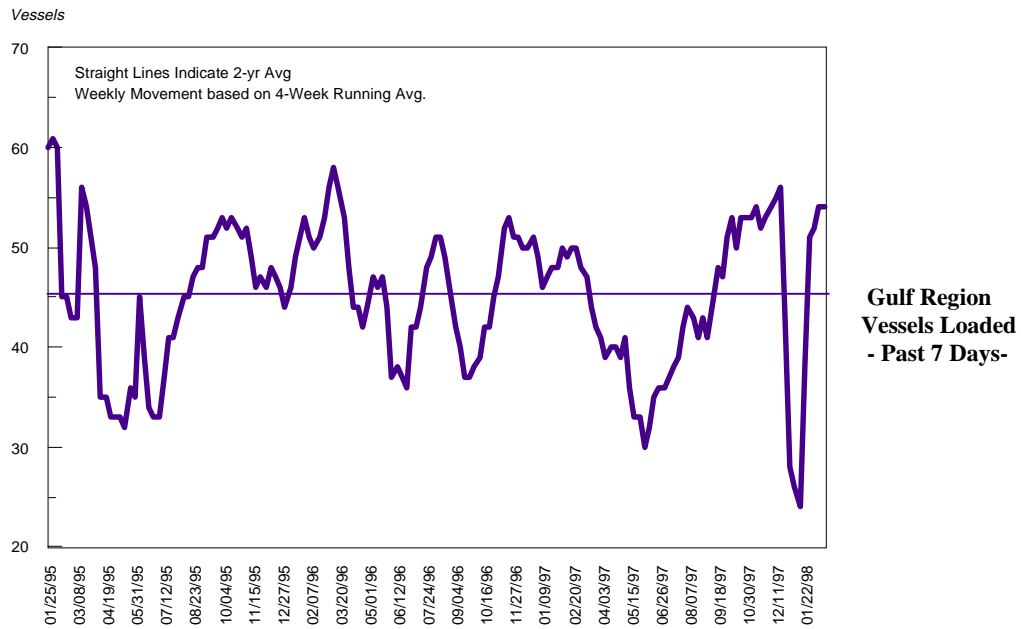
**Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons**

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
03/19/98	202	72	82	47	433	430	0	0	38
1998 YTD **	2,220	1,847	314	1,503	6,028	5,573	1,360	24	457
1997 YTD **	2,665	3,212	502	788	7,519	6,130	624	742	352
% of Last Year	83%	57%	63%	191%	80%	91%	218%	3%	130%
1997 Total	11,156	9,728	1,764	6,349	28,183	18,658	5,106	1,001	1,014
Source: Federal Grain Inspection Service *Year Ago-This Week a Year Ago ** YTD-Year-to-Date									

**Select Canadian Ports - Export Inspections**

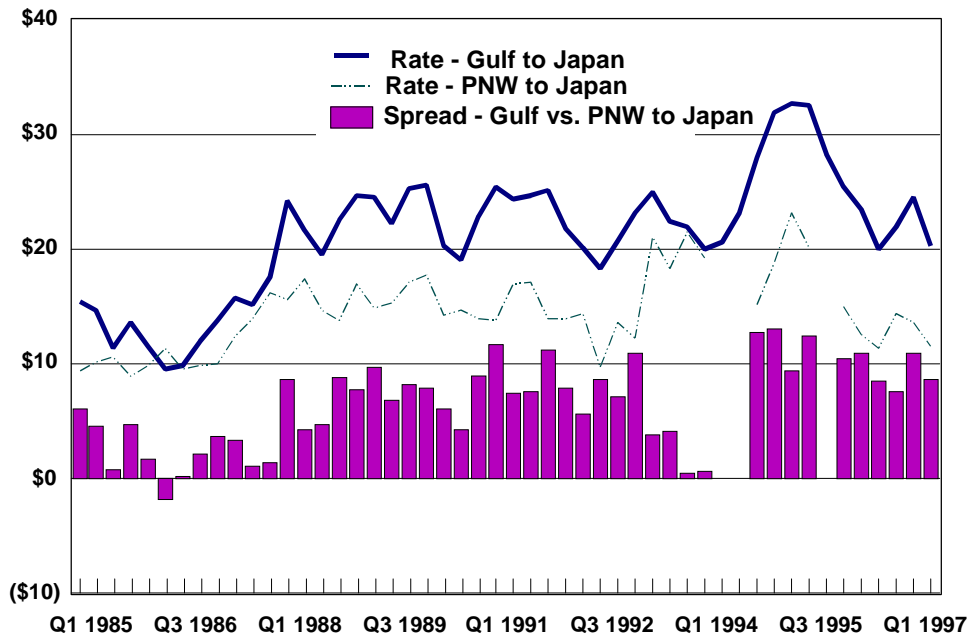
1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 03/06/98			
Vancouver	4,312	813	793
Prince Rupert	2,792	0	299
Prairie Direct	744	223	251
Thunder Bay	300	267	208
St. Lawrence	2,939	1,330	8
1997 YTD Exports	11,087	2,633	1,559
1996 YTD Exports	8,210	2,430	2,205
% of Last Year	135%	108%	71%
Source: Canadian Grains Commission *Year Ago-This Week a Year Ago ** YTD-Year-to-Date Crop Year 8/1-7/31			



Port Region Ocean Grain Vessels									
	Gulf			Pacific Northwest			Vancouver, B.C.		
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days
03/12/98	52	41	62				14	5	6
03/19/98	46	45	71				8	12	1
1996 Range	(17..46)	(38..61)	(27..88)						
1995 Range	(11..67)	(22..64)	(31..90)						
1996 Avg	37	46	62						
1995 Avg	31	45	60						
1995 Avg	31	46	61						
Source: Transportation & Marketing /AMS/ USDA									

US\$/Metric Ton



Quarterly Ocean Freight Rates

**Quarterly Ocean Freight Rates**

Weighted Average Rates &amp; Vessel Size, U.S. Dollars/Metric Ton - Basis

	1997 4 <sup>th</sup> Qtr	1996 4 <sup>th</sup> Qtr	% Change		1997 4 <sup>th</sup> Qtr	1996 4 <sup>th</sup> Qtr	% Change
<b>Gulf to</b>				<b>Pacific NW to</b>			
Japan	\$22.01	\$22.64	-3%	Japan	\$13.34	\$14.66	-9%
Mexico	\$13.97	\$14.96	-7%	Red Sea/ Arabian Sea	\$20.18	\$22.74	-11%
Venezuela	\$13.59	\$12.62	8%				
N. Europe	\$11.34	\$13.28	-15%	<b>Argentina to</b>			
N. Africa	\$14.80	\$15.87	-7%	N. Europe	\$16.12	\$18.15	-11%
				Japan	\$23.23	\$30.37	14%

Source: Transportation &amp; Marketing/AMS/USDA

**Ocean Freight Rates**

Export Region	Import Region	Grain	Month	Vessel Size (Tons)	Freight Rate (\$/Ton)
Gulf	Japan	Heavy Grains	March	52,000	\$17.50
Gulf	So. Korea	Heavy Grains	March	52,000	\$17.00
Gulf	China	Heavy Grains	March	35,000	\$18.50
Gulf	Jordan	Heavy Grains	Prompt	57,500	\$14.00
Gulf	Ireland	Grains	March	21,500	\$11.63
River Plate (Argentina)	Egypt	Wheat	March	40,000	\$16.50
River Plate	Taiwan	Heavy Grains	June	54,000	\$19.00
River Plate	Rotterdam	Grains	March	32,500-34,500	\$14.00
Brazil	China	Meals	April	50,000	\$20.00

Source: Maritime Research Inc.